



COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

World Trade Center
350 South Figueroa Street, Suite 188
Los Angeles, CA 90012

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Telephone: (213) 253-5600
Facsimile: (213) 633-4733

August 25, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NUMBER TWO TO COUNTY MASTER SERVICES AGREEMENT
NUMBER 75869 WITH IBM CORPORATION
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Approve Amendment Number Two to Master Services Agreement (MSA) Number 75869 with IBM Corporation to exercise an option to extend the term for two years through September 5, 2011.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman of the Board to sign the attached proposed Amendment Number Two to the Master Services Agreement (MSA) Number 75869 with IBM Corporation extending the term of the Agreement from September 5, 2009 to September 5, 2011.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the attached Amendment Number Two to the IBM MSA which will extend the term for two years through September 5, 2011. This action will provide County departments with continued streamlined access to IBM professional and consulting services under the IBM MSA.

On September 5, 2006, the Board approved the IBM MSA with an initial three year term and two (2) two-year extensions upon mutual agreement of the parties. The total annual amount authorized for expenditure under the IBM MSA is not to exceed \$4,000,000. The IBM MSA provides a structure that streamlines the acquisition

process for highly-skilled IBM technical services. These technical resources, which can only be obtained from IBM, assist with the planning and implementation of IBM technologies, enable timely problem resolution, and ensure that IBM product capabilities are maximized.

Particular County department engagements under the IBM MSA are executed through a Work Order (WO) process. Any WO exceeding \$300,000 will require Board approval. Since January 1, 2007, 23 WOs were issued under the IBM MSA with a total value of \$8,342,859. Of these, your Board approved eight (8) WOs totaling \$5,677,355.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 1: Organizational Effectiveness. The Agreement offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving the proposed Amendment Number Two, County departments will continue to have the ability to acquire IBM technical services under WOs, which are governed by the terms and conditions set forth in the IBM MSA. Funding for individual WOs will continue to be obtained from departmental budgets. The administrative provisions of the IBM MSA require confirmation that department funding is available before each individual WO is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Amendment Number Two has been approved as to form by County Counsel. All existing terms and conditions of the IBM MSA, including information technology (IT) provisions, will continue to apply following execution of the proposed Amendment Number Two.

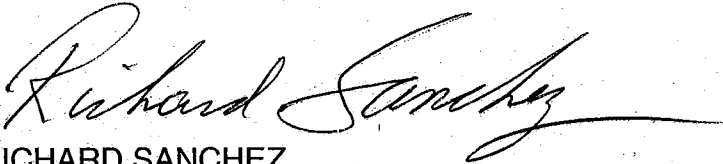
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment Number Two will provide County departments with continued access to IBM professional and technical resources. There will be no impact upon, or interruption of, the current services being provided to County departments by IBM.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one (1) adopted stamped copy of the Board letter and three (3) executed copies of Amendment Number Two to the CIO for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Sanchez", with a long horizontal flourish extending to the right.

RICHARD SANCHEZ
Chief Information Officer

RS:GM:GF:ygd

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

AMENDMENT NUMBER TWO

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

INTERNATIONAL BUSINESS MACHINES CORPORATION

FOR

INFORMATION TECHNOLOGY SERVICES

AMENDMENT NUMBER TWO TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
INTERNATIONAL BUSINESS MACHINES CORPORATION FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number Two to Master Services Agreement ("Amendment No. 2") is entered into as of September _____, 2009 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and International Business Machines Corporation, a New York corporation ("Contractor"), with reference to the following facts.

Recitals

A. County and Contractor entered into that certain Master Services Agreement for Information Technology Services (the "Agreement") which was approved by County's Board of Supervisors on September 5, 2006.

B. On September 18, 2007 the Agreement was amended pursuant to that certain Amendment No. 1 to increase the maximum contract sum under the Agreement.

C. The parties now wish to further amend the Agreement under this Amendment No. 2 in order to provide for an extension of the term of the Agreement .

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree to amend the Agreement as follows:

1. County and Contractor hereby mutually agree to extend the Initial Term of the Agreement by the exercise of the first two-year Extended Term as provided under Paragraph 11.1 of the Agreement.
2. In all other respects, the Agreement, as amended under this Amendment No. 2, shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

**AMENDMENT NUMBER TWO TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number Two to be subscribed by its Chairman and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number Two to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

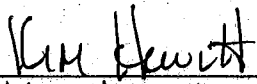
COUNTY OF LOS ANGELES

By _____
DON KNABE
Chairman, Board of Supervisors

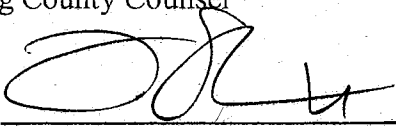
ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors

By _____
Deputy

INTERNATIONAL BUSINESS
MACHINES CORPORATION
Contractor

Signed: 
Printed: KIM HEWITT
Title: DIRECTOR

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By 
José Silva
Principal Deputy County Counsel